



# FAHE

## Federation of Appalachian Housing Enterprises

VA Housing Conference

Policies and Funding to Increase  
and Maintain Nonprofit Capacity



# FAHE

# FAHE Mission Statement

The mission of FAHE is to serve the housing needs of low-income people of Central Appalachia by:

- providing informed advocacy for,
- providing resources to, and
- facilitating collaboration among a network of housing organizations.

The logo for FAHE is positioned in the bottom right corner. It features the letters 'FAHE' in a large, black, serif font. A small white house icon is placed above the letter 'A'. The background of the slide includes a dark purple mountain range silhouette at the bottom.

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# FAHE Program Areas

- Collaboration
- Advocacy
- Resources
  - Permanent Financing
  - Development Loan Fund
  - Pass-through Funds
  - Technical Assistance

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Federation of Appalachian Housing Enterprises, Inc.

*Strength in Numbers*

- 38 Member Groups serving Central Appalachia Regions of VA, WV, KY and TN
- FAHE Member Groups serve 82% of the Appalachia Distressed Counties in our four state area
- FAHE has combined assets of over \$236 million dollars

# Building Capacity for Affordable Housing

- Local nonprofits designed for long term capacity
- Impact and Production Based
- Financial Capacity
- Staff Capacity
- Local and Regional Networking
- Technical Assistance and Training
- Operating support



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# Elements in Nonprofit Operating Capacity

- CHDO Operating Funds
- Pricing of houses
- Packaging and Housing Counseling Fees
- Local Support
- Developers Fees
- Retention of Staff
- Staff Training
- Evaluation of Programs



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# Kentucky Housing Corporation's Partnership with Nonprofits

- Often first investment in nonprofits for both operating and loan funds comes from KHC. (FAHE has used this as a model for investments in our Home Loan Funds in other states including VA)
- HOME CHDO Operating
- KHC creates flexibility in HOME Program design 1993
- KHC advocates for nonprofits and partners with technical assistance

The logo for FAHE (Florida Affordable Housing Enterprise) features the letters "FAHE" in a bold, serif font. A small white house icon is positioned above the letter "A".

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# KY Nonprofit Housing Production Rehabilitation Program

- Simplification and formalization of nonprofit operating and loan funds
- Based on total production (rental, homeownership and rehab)
- 75% loan (1% 20 year) and 25% grant
- Very few regulations, but most have capacity to manage loan fund
- Funded through KHC Profits (\$2 million)

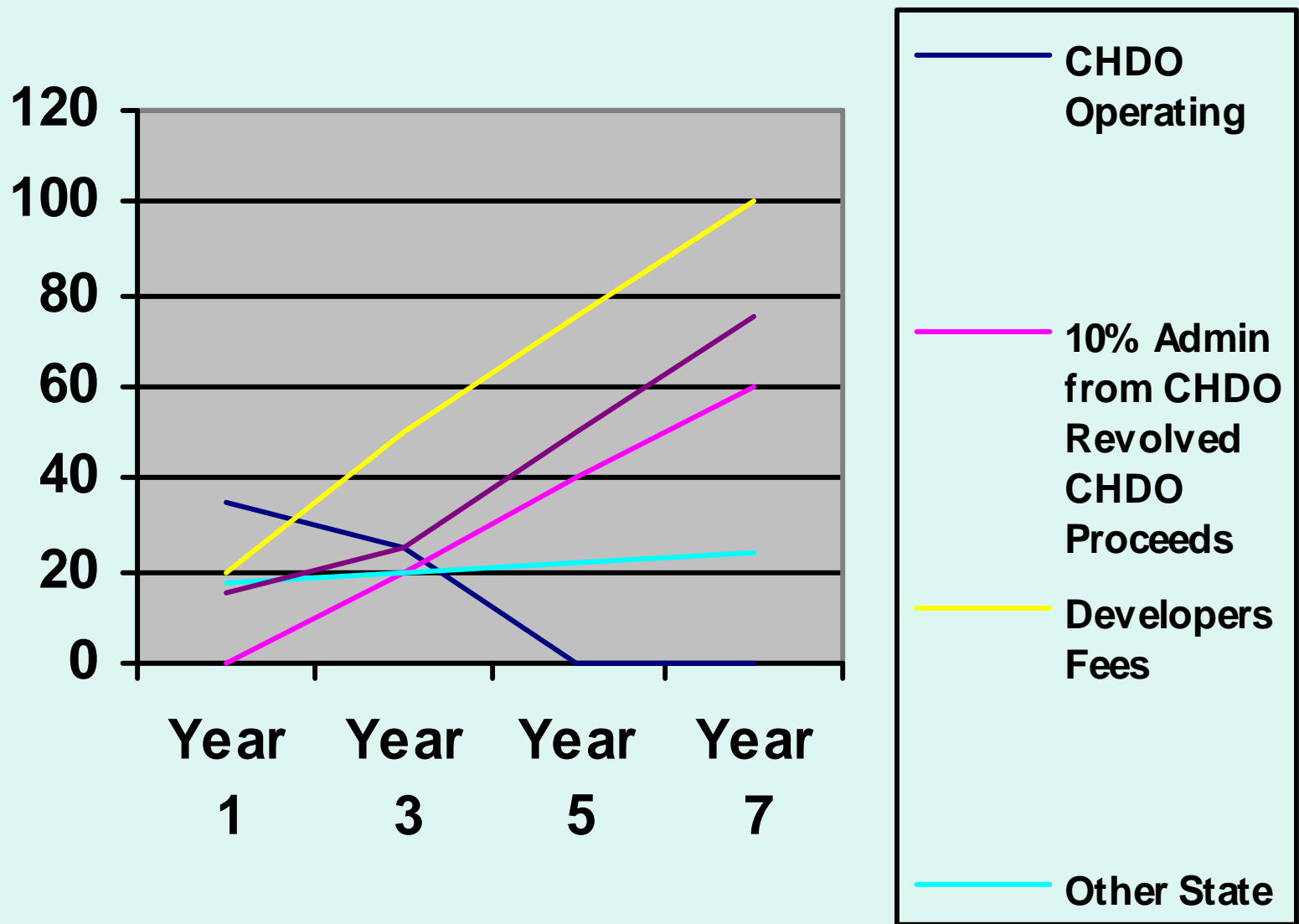


# KY Affordable Housing Trust Fund

- Created in 1993 with \$800,000 annually
- 1999-2002 capitalized at \$4 - 7.5 million per year through unclaimed lottery winnings
- 2003 & 2004 included in Governor's General Budget for \$4 million and then \$2.5 million
- Serves 60% AMI and below and targets 30% AMI
- Grants and Loans and grants can be revolved back to nonprofit


# CHDO Operating

- Designed to create CHDO capacity
- Four years of funding with amount decreasing in years three and four
- As CHDO Operating decreases, CHDO developers fees and CHDO Proceeds increase to maintain and increase capacity



# HOME Program Asset Building Strategies

- Asset and Wealth Building for Homeowners
- Asset and Wealth Building for Nonprofits and local communities
  - Leveraging of other resources
  - Long term strength
  - Increase competitive edge
  - Long term stability in changing state and national environment



## Total 2003 Sources of FAHE for FAHE KY

- Local of Regional Sources  
**\$3,568,347**
- KHC Administered Programs  
**\$4,101,020**
- Other Federal Funds  
**\$2,295,833**
- Banks  
**\$ 824,767**
- Total  
**\$10,789,967**

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## 2003 Sources of Funds

### ■ KHC Administered Programs

■ Member Group HOME	\$1,612,934
■ FAHE HOME	\$ 522,990
■ NHPR	\$ 590,103
■ ARC	\$ 196,833
■ Affordable Housing Trust Fund	\$1,151,162
■ KHC HOME Start	\$ 14,999
■ KHC House Works	\$ 11,999
■ <b>Total</b>	<b>\$4,101,020</b>

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## 2003 Sources of Funds

### Federal Funds not Administered by KHC

- RD 502 Leverage Loans \$1,921,187
- RD 504/HPG Rehab Loans/Grants \$ 105,000
- CDBG through KY DLG \$ 217,151
- SHOP \$ 52,495
- **Total** **\$2,295,833**

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## 2003 Sources of Funds

### Local or Regional Sources

■ Member Group HLF	\$1,315,766
■ Member Group HOME CHDO Proceeds/Program Income	\$ 471,378
■ Volunteers	\$ 513,826
■ Down Payments	\$ 54,112
■ Private Donations, etc.	\$ 792,404
■ FAHE HOME Program Income	\$ 71,122
■ FAHE Home Loan Fund	\$ 349,739
■ <b>Total</b>	<b>\$3,568,347</b>

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## 2003 Sources of Funds

### Banks

■ FHLB AHP	\$ 395,769
■ Local Banks	\$ 428,998
■ <b>Total</b>	<b>\$ 824,767</b>

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## ***FAHE KY 2003 Production***

- 93 Single Family Scatter Site homes
- 26 Single Family Subdivision homes
- 13 New Rental Units
- 14 Acquisition/Rehab homes
- 115 Rehab/Repair homes
- 261 Total homes assisted

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## **FAHE Borrowers for FY 2003**

- Female Headed Households  
49%
- Average Area Median Income  
48%
- Median Income Served  
\$12,850
- Average Household Size  
2.46 people


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# Florida Affordable Housing Trust Fund

- 2% Transfer Fee = .20 per \$1,000 of sales price
- 2004 the Governor used \$221 for General Budget which resulted in ...
  - 25,902 jobs lost
  - 11,611 affordable units lost
  - \$1.3 billion of economic activity
- \$193 million for 2004 with \$137 devoted to local governments for affordable housing and \$56 for for-profit and nonprofit developers





# Florida Affordable Housing Trust Fund

- ◆ 80% dedicated to Homeownership
- ◆ 30% dedicated to very-low income
- ◆ Local governments create advisory committee for AHTF
- ◆ Local governments can use AHTF with nonprofit and for-profit developers



# Nonprofit and Community Impact with Long Term Capacity Building

- Asset and Wealth Building for Nonprofits and local communities
  - Leveraging of other resources
  - Long term strength
  - Increase competitive edge
  - Long term stability in changing state and national environment



## VA Options for Expanding Nonprofit Capacity

- Create an Affordable Housing Trust Fund
- Allow and encourage the revolving of CHDO Proceeds
- ARC funds for housing
- CDBG for new construction
- Expand VHDA lending options to nonprofits

“Vision without resources is  
hallucination”

- Adina Abramowitz, NCCA



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# VA Governor's Housing Conference

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